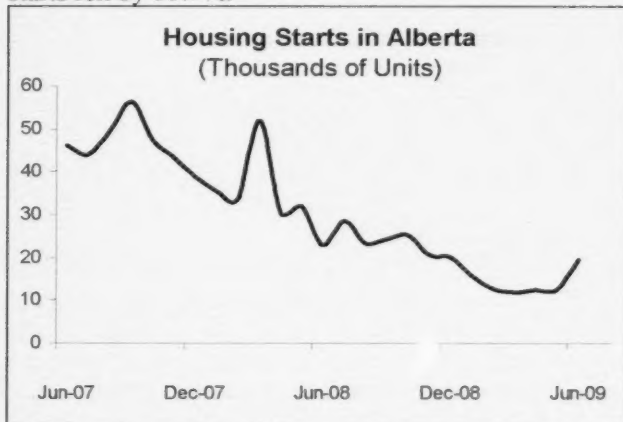


Alberta's Housing Market

Housing starts post surprising gains...

Contractors in Alberta broke ground on 19,300 (seasonally adjusted) new homes in June, a 55.6% jump from the previous month. While housing starts were down 15.7% from year-ago levels, June's year-over-year decrease is the smallest since April 2008. Alberta's month-over-month gain was the highest among provinces, and well above the Canadian average of 9.6%. Year-over-year, Canadian housing starts fell by 33.9%.



New Housing Price Index drops slightly...

Alberta's New Housing Price Index fell by 0.4% in May, following a 0.9% decline in April. Prices in Edmonton fell 0.9% month-over-month, and by 11.7% year-over-year, the second-largest drop among Canada's major cities. In Calgary, prices were unchanged from April, and decreased by 7.9% year-over-year. Nationally, the index fell by 0.1% from April to May, and by 3.1% from May of last year.

Resale markets continue to improve...

In Edmonton, sales of existing homes reached 2,552 units in June, an 18.0% increase over the previous month, and a 37.8% gain from June 2008. In Calgary, sales of single-family homes jumped 16.0% from May, to 1,837 units. In addition, the average price of a single-family home increased in both Calgary (2.0%) and Edmonton (0.6%), to \$447,142 and \$369,859, respectively.

Canadian Dollar (US¢/CS)

July 10, 2009	85.84
July 03, 2009	86.05
2009-10 YTD	86.04

WTI Oil US\$/bbl

July 09, 2009	\$ 60.41
July 02, 2009	\$ 66.73
2009-10 YTD	\$ 60.15

Nymex Natural Gas CS/MMBtu^{*} Near-month Contract

July 10, 2009	\$ 3.92
July 03, 2009	\$ 4.24

* Estimate based on Nymex Futures Market Price

Building Permits

Building permits perk up...

The value of building permits issued in Alberta increased sharply in May, by 48.5% (seasonally adjusted) compared to April. The monthly gain was entirely due to a 99.7% increase in non-residential permits, while residential permits actually fell, by 8.1%. Permits were down 18.6% from May 2008.

Employment & Unemployment

Job losses return in June...

Alberta's economy shed 4,000 jobs in June, following two consecutive months of gains. The losses pushed the unemployment rate up to 6.8%, from 6.6% in May. While this is the province's highest rate since November 1996, it remains the third lowest in Canada, behind Saskatchewan (4.6%) and Manitoba (5.2%).

Canadian employment fell by 7,400 between May and June, while the unemployment rate reached 8.6%, an eleven-year high.

Global Economy

Grim economic news sends oil prices tumbling...

Growing concerns about a delayed economic recovery were reinforced on Friday, with the announcement that U.S. consumer confidence fell sharply in mid-July. The unexpected news, along with weak demand and a build-up in inventory, sent oil prices below US\$60 Friday morning.

Overall Economy	2007	2008	2009YTD*	Jan	Feb	Mar	Apr	May	Jun
Real GDP (in 2002 \$billions)	187.5	187.0	--	--	--	--	--	--	--
% change	3.1	-0.2	--	--	--	--	--	--	--
Nominal GDP (\$ billions)	258.9	291.7	--	--	--	--	--	--	--
% change	8.1	12.6	--	--	--	--	--	--	--
Population ¹ (000's) (level)	3,511	3,585	3,654	3,632	--	--	3,654	--	--
% change	2.6	2.1	2.6	2.6	--	--	2.7	--	--
Net Interprovincial Migration ¹ (level)	33,809	10,010	18,269	6,198	--	--	7,144	--	--
Net International Migration ¹ (level)	16,136	19,283	13,179	4,097	--	--	4,175	--	--
Net Non-permanent Residents ¹ (level)	13,539	17,890	17,557	4,870	--	--	4,626	--	--
Labour Market									
Employment (000's)	NEW: 1,959	2,013	1,989	2,026	2,002	1,987	1,993	1,994	1,990
% change	4.7	2.8	-0.5	1.2	0.2	-1.0	-0.9	-1.1	-1.6
Unemployment Rate (%)	NEW: 3.5	3.6	6.1	4.4	5.4	5.8	6.0	6.6	6.8
Average Hourly Wage Rate	6.0	5.7	5	6.2	4.5	3.6	4.3	5.0	6.1
Average Weekly Earnings ²	5.8	6.0	5.3	7.0	5.4	5.6	3.2	--	--
Labour Income ³	11.3	8.4	3.6	4.5	3.6	2.7	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	0.6	1.2	2.1	0.9	-0.7	-0.7	--
Excluding food and energy	4.9	1.9	1.6	1.5	2.0	1.4	1.1	1.7	--
Non-Res. Const. Cost Index ⁴ (quarterly)	17.3	13.2	-1.0	--	--	-1.0(Q1)	--	--	--
Farm Product Price Index	14.3	11.1	-6.3	-6.2	-7.9	-4.7	-6.2	--	--
Crops	41.4	26.3	-24.3	-22.8	-25.7	-23.1	-25.6	--	--
Livestock	0.7	2.1	14.0	13.7	12.4	17.5	12.4	--	--
Household Sector									
Housing Starts (SAAR, 000's)	NEW: 48.1	29.0	14.1	15.7	12.6	11.9	12.4	12.4	19.3
% change	-2.1	-39.7	-59.1	-53.0	-59.4	-75.1	4.2	-61.3	-15.7
New Housing Price Index	22.5	0.7	-9.8	-8.4	-9.6	-10.5	-10.7	-9.8	--
Edmonton	NEW: 32.1	1.0	-11.8	-10.4	-12.2	-12.3	-12.5	-11.7	--
Calgary	16.2	0.6	-7.8	-6.5	-7.1	-8.7	-8.8	-7.9	--
MLS Average Resale Prices	24.3	-1.4	-8.5	-10.0	-9.2	-10.4	-6.8	-5.8	--
Edmonton	34.3	-2.0	-7.0	-4.5	-8.7	-10.1	-7.4	-4.2	--
Calgary	18.7	-2.9	-10.4	-11.4	-10.8	-11.3	-10.1	-8.7	--
Retail Sales	9.3	-0.1	-11.0	-6.4	-13.4	-13.8	-10.1	--	--
New Motor Vehicle Sales	3.3	-7.3	-28.5	-22.5	-35.4	-31.9	-24.4	--	--
Business Sector									
Public and Private Investment ⁵	9.1	3.6	-14.0	--	--	--	--	--	--
Mining and oil and gas ⁵	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-44.9	-24.4	-43.9	-60.8	-42.0	-39.2	-56.3
Goods Exports (customs based)	5.3	33.2	-28.7	-27.3	-30.2	--	--	--	--
Energy	4.4	40.9	-33.2	-31.5	-35.1	--	--	--	--
Agriculture	9.8	28.6	0.0	-3.4	3.6	--	--	--	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	--	--	--	--	--	--	--
Manufacturing Shipments	1.9	6.9	-16.3	-13.4	-14.6	-13.8	-23.0	--	--
Wholesale Trade	5.0	10.9	-4.7	4.5	-6.1	-4.2	-11.7	--	--
Building Permits	13.4	-16.5	-41.7	-52.5	-67.5	-29.8	-41.4	-18.6	--
Residential	NEW: 10.7	-31.5	-53.9	-67.0	-72.5	30.5	-44.0	-49.3	--
Non-residential	17.1	3.7	-29.6	-40.2	-62.9	-19.2	-38.7	13.0	--

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* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

¹ Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). The April population estimate is also the 2009 year-to-date value.

² The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

³ Total income earning in Alberta including wages and salaries, and supplementary income.

⁴ Average of Calgary and Edmonton.

⁵ 2009 based on initial investment intentions, 2008 preliminary actuals, and 2007 actuals

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Spring 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	0.5%	-0.1%	0.9%	2.0%	-0.0%	1.0%	-0.4%	2.4%	4.4%	-0.2%	-0.3%
2009	-1.7%	-5.0%	-0.2%	0.4%	0.5%	-0.9%	-2.4%	1.0%	0.2%	-2.4%	-1.8%
2010	2.5%	1.0%	1.7%	1.5%	2.2%	1.8%	2.5%	2.4%	3.2%	2.9%	3.3%
Population (As of April 1, 2009)											
Population	33,592,686	508,726	140,638	939,475	748,866	7,799,372	13,014,018	1,217,163	1,027,092	3,653,840	4,435,344
Annual Growth Rate ^a	1.23%	0.20%	1.19%	0.18%	0.26%	0.89%	1.02%	1.16%	1.49%	2.71%	1.70%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	10,010	11,458
1st Quarter (January 1, 2009 to March 31, 2009)		98	-66	-357	61	-2,016	-5,015	-181	545	7,144	-16
Employment											
Level Change (000s) ^b	-340.7	-5.4	-1.6	-3.9	3.0	-29.9	-215.1	-1.9	14.5	-32.0	-68.4
Percent Change ^b	-1.9%	-2.3%	-2.1%	-0.8%	0.8%	-0.8%	-3.2%	-0.3%	2.8%	-1.6%	-2.9%
Unemployment Rate, 2009 avg (SA)	8.0	14.9	12.2	9.0	9.0	8.3	8.9	4.9	4.7	5.8	7.2
Participation Rate, 2009 avg (SA)	67.4	59.0	67.7	64.6	64.8	65.4	67.5	69.3	70.5	74.6	65.9
Average Weekly Earnings											
April 2009	820.53	799.20	697.50	733.09	740.11	760.76	848.63	764.32	795.35	946.66	790.13
Y/Y Percent Increase ^c	1.4%	4.7%	6.2%	3.3%	2.3%	0.6%	1.7%	1.7%	1.2%	3.2%	-0.3%
2009 Wage Settlements										1.5%	
CPI Inflation											
April Annual	0.1%	0.6%	-1.1%	-1.1%	-0.2%	0.1%	0.4%	0.8%	0.7%	-0.7%	0.1%
Excluding Shelter	0.2%	0.7%	0.6%	-0.8%	-0.1%	0.0%	0.2%	0.3%	-0.1%	0.6%	0.5%
Housing Starts (000s)											
SAAR June 2009	140.7	3.0	1.0	3.1	3.5	40.6	45.6	4.8	5.9	19.3	13.8
Retail Sales											
Percent Change ^d	-6.7%	0.1%	0.5%	-1.8%	-3.1%	-5.0%	-7.3%	-5.1%	-5.3%	-10.1%	-8.2%
2009 YTD Retail Sales Growth	-6.2%	-0.5%	-1.8%	-4.0%	-2.4%	-3.6%	-5.7%	-4.7%	-3.6%	-11.0%	-10.0%
Manufacturing Shipments											
Percent Change ^d	-20.4%	-70.5%	6.3%	-24.1%	-37.4%	-14.4%	-21.4%	-6.2%	-8.8%	-23.0%	-23.4%

a. Over the past 12 months

b. June 2009 Y/Y change, unadjusted for seasonal effects

c. Updated to January 2009

d. April 2009 Y/Y change, unadjusted for seasonal effects

SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate

Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada

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